

110TH CONGRESS
1ST SESSION

H. R. 3726

To amend the Internal Revenue Code of 1986 to allow the deduction for real property taxes on the principal residences to all individuals whether or not they itemize other deductions.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2007

Mr. HILL (for himself, Mr. FOSSELLA, Mr. BURTON of Indiana, Mr. DONNELLY, Mr. ELLSWORTH, Mrs. GILLIBRAND, Mr. HALL of New York, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. PENCE, Ms. BERKLEY, Mr. BUCHANAN, Mr. VISCLOSKY, and Mr. KAGEN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the deduction for real property taxes on the principal residences to all individuals whether or not they itemize other deductions.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 The Act may be cited as the “Property Tax Relief
5 Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Healthcare costs have grown on average 2.5
2 percentage points faster than the United States
3 gross domestic product since 1970.

4 (2) The Secretary of Energy estimates that en-
5 ergy costs will continue to dramatically rise for at
6 least the next 3 years.

7 (3) The national average for property taxes is
8 over \$900, placing a large burden on middle class
9 families.

10 (4) Indiana property owners pay 3.4 percent of
11 their income in property taxes, which is the 14th
12 highest percentage in the Nation.

13 (5) Indiana property taxes are predicted to
14 jump another 25 percent in 2008.

15 **SEC. 3. DEDUCTION FOR REAL PROPERTY TAXES ON PRIN-**
16 **CIPAL RESIDENCES ALLOWED TO ALL INDI-**
17 **VIDUALS WHETHER OR NOT THEY ITEMIZE**
18 **OTHER DEDUCTIONS.**

19 (a) IN GENERAL.—Subsection (a) of section 62 of the
20 Internal Revenue Code of 1986 (defining adjusted gross
21 income) is amended by inserting after paragraph (21) the
22 following new paragraph:

23 “(22) PRINCIPAL RESIDENCE REAL PROPERTY
24 TAXES.—The deduction allowed by section 164(a)(1)
25 for State and local real property taxes on any resi-

1 dence allocable to the period during the taxable year
2 that the residence is owned and used by the tax-
3 payer as the taxpayer’s principal residence (within
4 the meaning of section 121).”.

5 (b) NO EFFECT ON COMPUTATION OF ALTERNATIVE
6 MINIMUM TAXABLE INCOME.—The last sentence of sub-
7 paragraph (A) of section 56(b)(1) of such Code is amend-
8 ed by inserting before the period “(other than the amount
9 allowable under section 62(a)(22))”.

10 (c) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this Act.

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